Three simple tips for IT development projects to save 80% of time & money in IP management

from more than 15 years experience of intellectual property management in IT projects

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Introduction

- There are three main mistakes in IP management made by IT project teams from university's startups to multinational corporations around the world

- If you use three following tips you could avoid up to 80% of unreasonable costs whoever you are
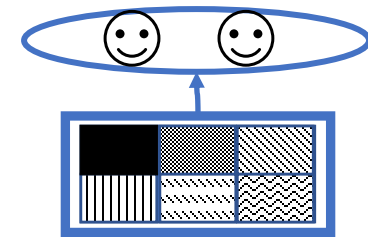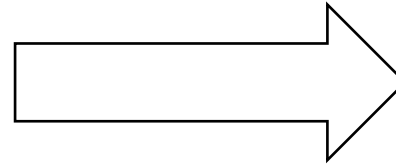
Three tips:

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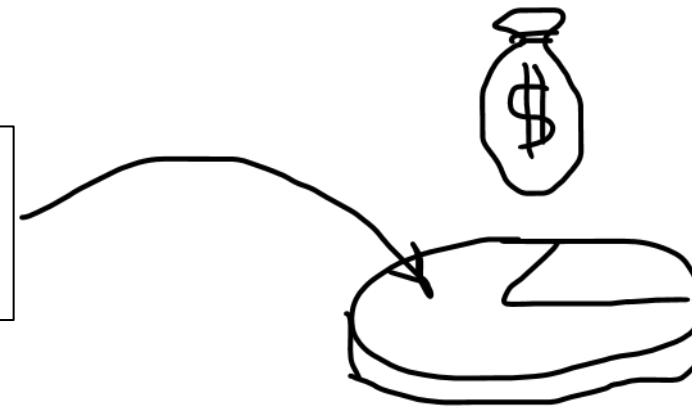
Tip №1 Collect rights to the future Rightsholder in advance
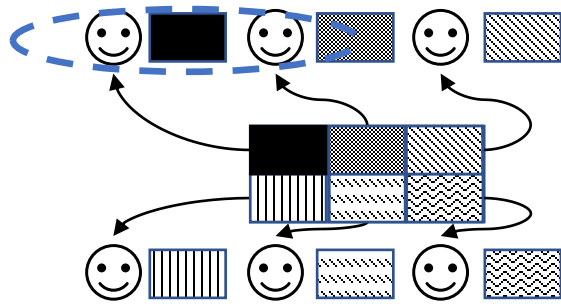
Owned by crowd

Owned by Rightsholder

Problem:
- Each author from around the world who contributed to code becomes rightsholders by default. As a result, your product and its parts will be owned by a huge crowd of people
- To get legal control and freedom to operate your product at the end of the project you will be forced to spend large amount of time and money on trying to find again all authors and to collect rights from them

Solution:

Step 1. Choose your **future Rightsholder** (person(s) or legal entity who will own IP rights) before starting a project.

Step 2. Collect rights from each author who takes part in development and transfer the rights to **the future rightsholder** throughout the development process by contracting.

Step 3. Check the authors list for all IP at the end of the project – "has each author transferred his IP rights to **the future rightsholder**?"

Tip №2 Borrow pieces of code fitted by permissions and conditions
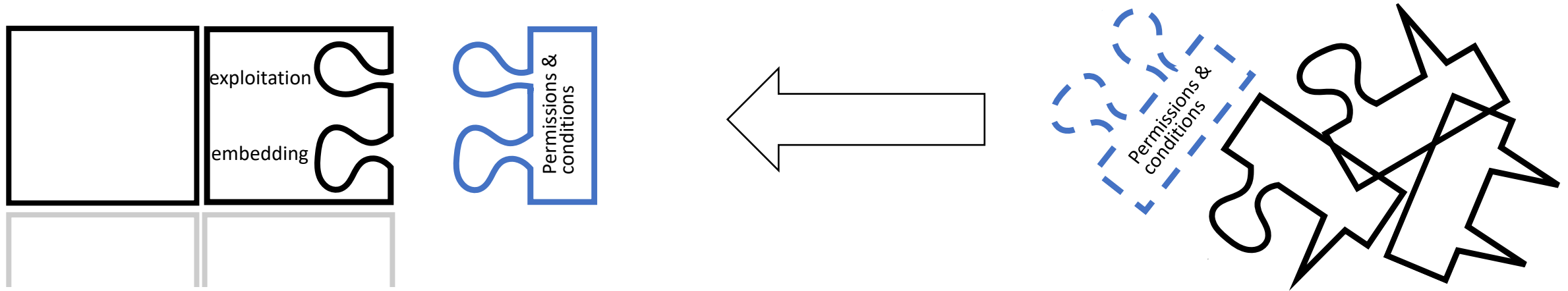
Problem:

- If you use pieces of code not created by your contractors or employees (you definitely use such pieces) then **the future rightsholder** should have a proper license else he will be infringer and will be forced to waste time and money on compensation for infringement
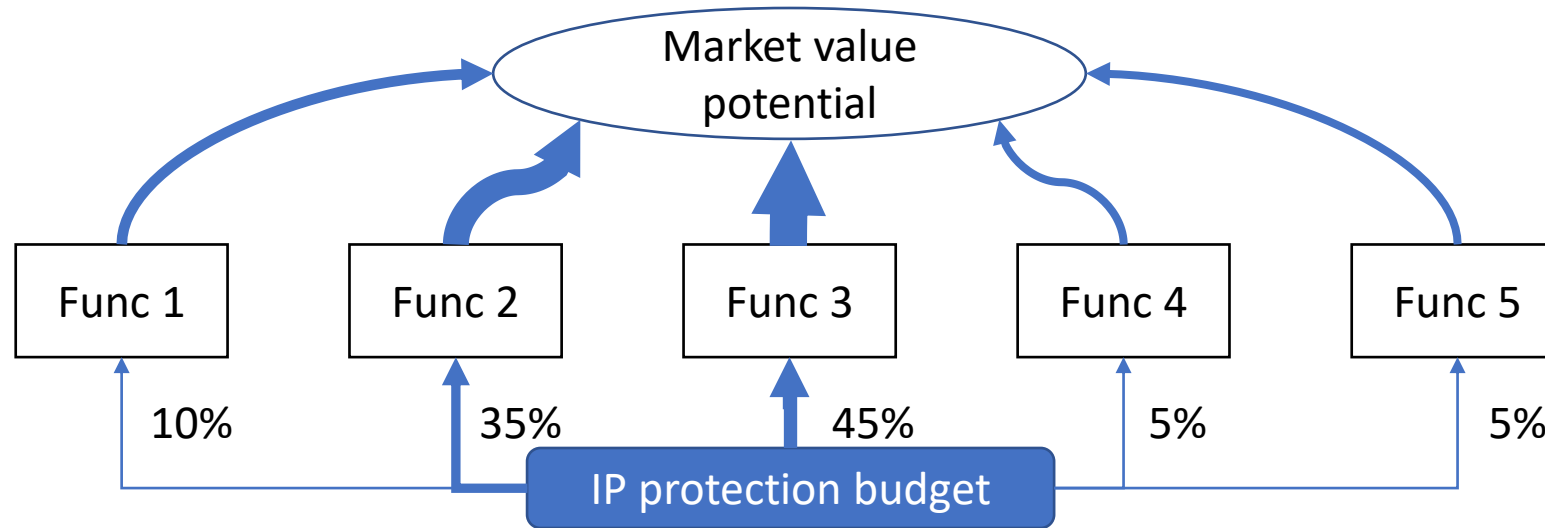
Solution:

Step 1. Shape your ways to:

> ➢ exploit and distribute the final product (e.g. commercial/noncommercial; cloud service/server/distribution)
> ➢ embed a borrowing piece of software (e.g. link/copy/modification)

Step 2. Borrow pieces of code which are licensed with **permissions and conditions fitted your ways to embed, exploit and distribute**.

Step 3. Check the software bill of materials (SBoM) by hand and check the whole code with special software at the end of the project – "is each borrowed piece of software **licensed correctly to the future rightsholder**?"

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Tip №3 Prioritize IP protection

Problem:
- Opportunities for IP protection always exceed budget for it
- You should make efficient decisions on what to protect and how to spend money for IP protection

Solution:

Step 1. Divide your product **into parts** (generally from 3 to 8 parts) (e.g. by function).

Step 2. **Evaluate** each part of the product by contribution to a market value potential (e.g. find out – "if a competitor copies the part and uses it in his product, how much will be my profit loss?"; answer: 10%+35%+45%+5%+5%).
If copying any part by a competitor does not harm your profit it could mean that you should spend all resources on protecting your product **as a whole** and shouldn't spend on protecting the parts.

Step 3. Distribute resources (time and money) for **IP protection in accordance with the evaluation** of the parts.

Afterword

- The Pareto principle states that roughly 80% of consequences come from 20% of causes (the "vital few")

1. **Collect rights to the future Rightsholder in advance**
2. **Borrow pieces of code fitted by permissions and conditions**
3. **Prioritize IP protection**
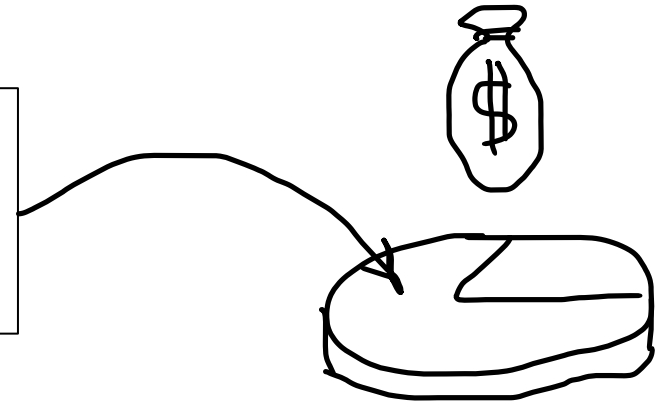
If you like the presentation, please share it with your colleagues and friends.
Have any questions or comments? Please leave it at in or contact me.

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